GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:20
ANSWERED ON:15.11.2007
STRATEGIC CRUDE OIL RESERVES
Badiga Shri Ramakrishna;Nikhil Kumar Shri

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government has recently taken a decision to build up a strategic crude oil reserve of 5 million metric tons in the country;

(b) if so, the details thereof and the total likely investment to be made for the purpose;

(c) whether Oil Industry Development Board (OIDB) will fund for building strategic crude oil reserves; and

(d) if so, the time by which such strategic crude oil reserves would be established by the Government?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 20 TO BE ANSWERED ON 15.11.2007 REG. STRATEGIC CRUDE OIL RESERVES.

(a) & (b) Yes, Sir. In September 2005, the government has decided to set up strategic storage of crude oil of 5 MMT capacity at 3 locations viz, Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur, Udipi (2.5 MMT). The estimated capital cost (2005) was Rs.2397 crores. The crude filling cost was estimated at Rs.8870 crores (based on crude price of $ 55 per barrel).

(c) The funding of capital cost of building the strategic storage is by the Oil Industry Development Board. To finance the cost of crude required for storage, the Government could temporarily increase the cess on domestic crude and/or customs duty on imported crude, in case funds are not available from the existing OIDB cess collections.

(d) The completion targets for establishing the strategic crude oil reserves are mentioned below:

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Visakhapatnam : January 31, 2011
Mangalore : July 15, 2011
Padur  : December 31, 2011
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MMT denotes Million Metric Tonnes